



Mayoral Report 2018/2019

3.0 MAYOR'S BUDGET REPORT

Reporting Author: Mayor of Cloncurry Shire Council, Cr. Greg Campbell

Report

Please see attached, the Mayor's Budget Report.

Council Policy

There are no implications to Council Policy.

Legal Implications

Local Government Act 2009

Local Government Regulations 2012

Financial Implications

As presented in the Budget Report.

Recommendation

That the Mayor's Budget Report for 2018/19 be received and noted by Council.

Mayor's Budget Report for the 2018-19 Financial Year

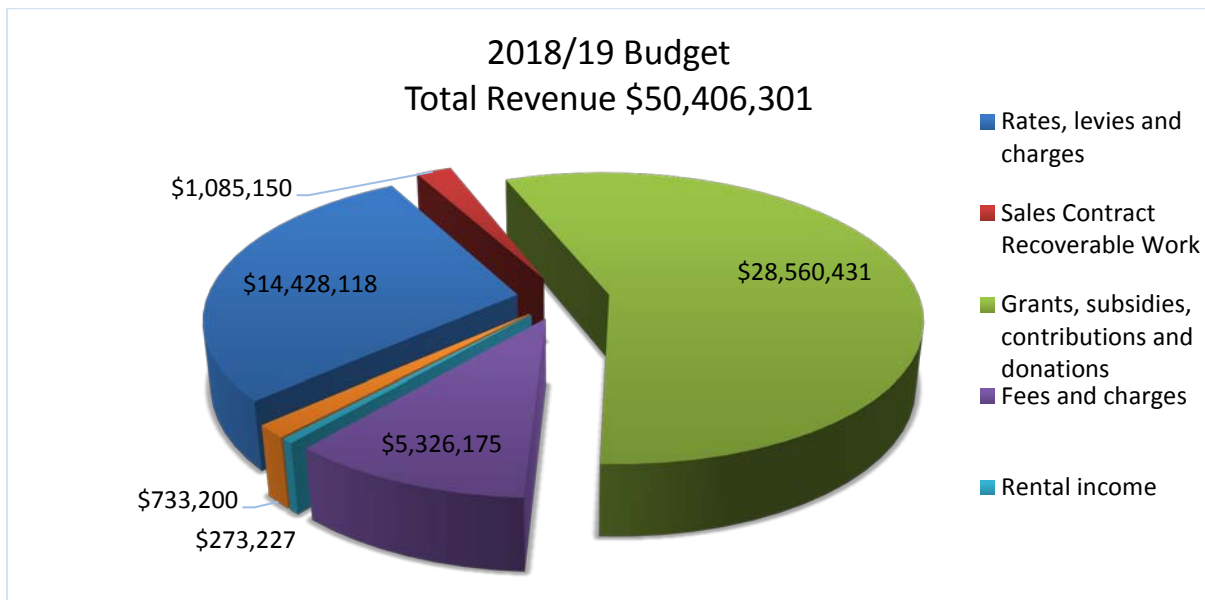
It is with pleasure that I present the 2018/19 Annual Budget for Cloncurry Shire Council.

The 2018/19 financial year is shaping up to be a big year for the Council with an ongoing focus on the renewal and development of critical infrastructure to ensure the community is adequately serviced.

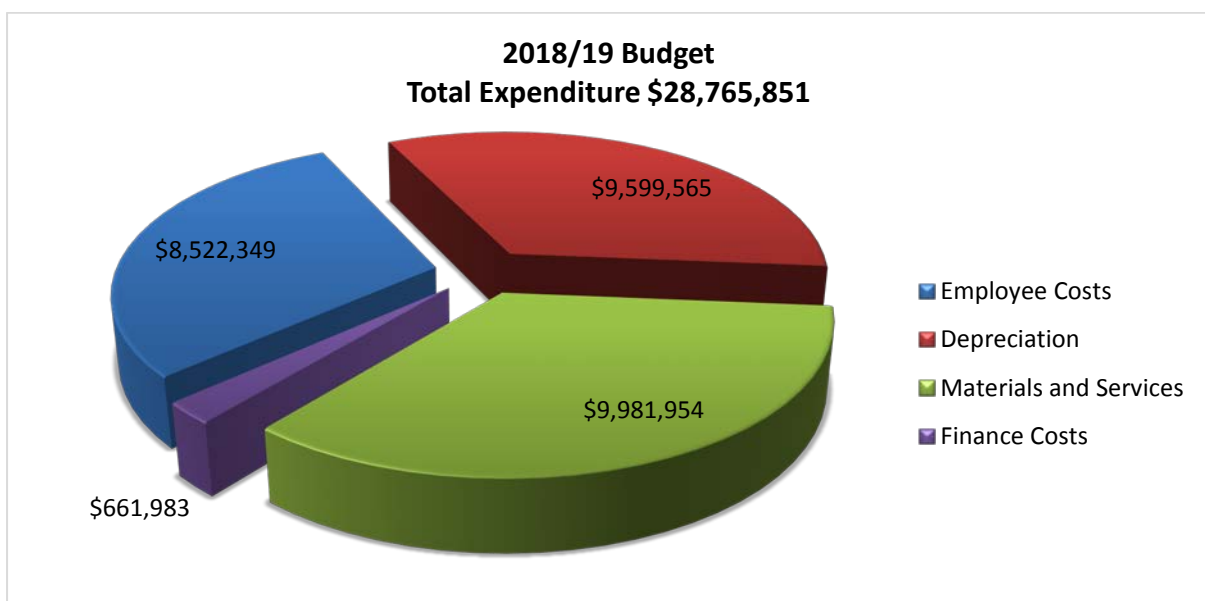
The 2018/19 Revenue and Expenditure budget provides for a net surplus of \$21,640,000, which includes \$21,639,000 of capital revenue. With the exclusion of capital revenue, Council's operating surplus is projected to be break-even at \$1,306 which is an operational surplus ratio of 0.0%.

Our total revenue is projected to be \$50,405,000 for which the two main revenue streams are from grants and subsidies that we receive primarily from Commonwealth and State Governments, and from the rates and charges that Council levies.

The following graph illustrates where Cloncurry Shire Council's revenue is sourced.



The following graph illustrates where Cloncurry Shire Council's expenditure is incurred.



Each year it is important to get the balance of the budget right to ensure that Council can deliver an appropriate level of service to our community but on the other hand not increase rates beyond an acceptable level.

Planning

A key outcome for the 2018/19 budget is planning for the future. A snapshot of these activities include:

- Tourism Strategy
- Economic Development Plan
- Florence Clarke Park Master Plan and construction
- John Flynn Place/Recreational Grounds Master Plan
- Sport and Recreation Plan
- Town Beautification Strategy
- Business and Marketing Plans for business units such as Cloncurry Unearthed, John Flynn Place and the Saleyards

The appropriate level of planning should occur in each budget to ensure that we are successful in delivering these projects and objectives in future years to come.

Capital Expenditure Budget

The Council is planning to undertake an extensive Capital Expenditure Program in 2018/19 totalling \$21,417,333 with an additional \$12,327,000 contingent upon funding allocations. The Capital Expenditure Program will not only see the completion of ongoing projects but will also allow for the commencement of many new ones.

Major highlights of the Capital Expenditure Program are detailed below:

Sheaffe Street Rehabilitation - Stage 3 - \$4,900,000

The Sheaffe Street rehabilitation project has been an ongoing project for the past 2 years. Stage 1 of this project was completed in 2017 and stage 2 is well underway with an anticipated completion of August 2018. Council is committed to completing this major project and has provided a \$4.9M budgetary allocation in 2018/19. This will see works completed between Daintree Street up to Alice Street and will include improvements to drainage and new road surface with improved traffic flow, parking and garden beds.

Eastern Stormwater Mitigation Stage 4 - \$620,000

Stages 1 and 2 of the Eastern Stormwater Mitigation project have been completed with Stage 3 nearing completion. In 2018/19 Council will move into Stage 4 of the project and will expend that remaining funding received under the Building our Regions program. The overall project includes easements, drainage improvements, realignment of allotments and opening old natural streams.

Carl Katter Bridge Upgrade - \$2,473,000

Council will commence upgrading Carl Katter Bridge in 2018/19. This project will be scheduled to run over both the 2018/19 and 2019/20 financial year and will see upgrades to the approaches of the bridge and widening to a double lane standard. In total this is a \$4.9M project for which \$2.4M has been funded by the Commonwealth Governments Bridges Renewal Program.

Footpath Renewal Program - \$300,000

Many of the town footpaths are deteriorating quickly. This is a focus for Council to renew the footpaths in areas of town that have high foot traffic or where significant levels of deterioration are identified.

Sewerage Treatment Plant Strategy Implementation - \$4,775,000

Council has been working closely with the Department of Environment and Science to overcome identified compliance issues with the Sewerage Treatment Plant. This budget allocation will allow for the completion of Stage 2 of the project and provides \$4.3M to move into Stage 3 of the implementation strategy.

Plant Replacement Program - \$1,405,000

Council will continue to upgrade its fleet with \$1,405,000 being allocated in the Budget for various new plant and equipment, ranging from earthmoving equipment to vehicles, generators and mowers.

Florence Clarke Park Redevelopment - \$1,000,000

Council is committed to the redevelopment of Florence Clarke Park which will include new amenities such as toilets, seating, shaded areas and BBQ areas. Initial concepts of this project will see the addition of a water park, skate park and walking and bicycle pathways. This project will cost 1,000,000 however funding is being sought to contribute to the cost.

John Flynn Place and Recreational Grounds Design - \$400,000

In 2018/19 Council will commence the design phase to make John Flynn Place and the Recreational Grounds area a new and engaging community space. This will be the commencement of a long-term project to revitalise the area and provide better connectivity between John Flynn Place and the Recreational Grounds.

Curry Kids Upgrades - \$145,000

The budgeted works at Curry Kids relates to a number of capital initiatives to continually improve the centre. These include upgrades to the doors and windows in the Kindy room, upgrades to kitchen areas and a new playground area for the toddlers.

Acquisition of Corella Dam - \$140,000

The Council has been in discussions for quite some while with the Queensland Government in relation to acquiring Corella Dam and I am pleased to advise that it is going ahead. I envisage that we will take control of the dam before the end of the calendar year.

New Enterprise System - \$400,000

This budget allocation is for Council Officer's to investigate, scope and implement a new whole of Council computer system. This system will allow Council staff to work with modern technology and perform their duties efficiently and effectively. It will also open up new opportunities for the community to transact with Council.

Rates and Charges

General Rates

Total General Rates levied by Council in 2018/19 will be \$10,865,291 prior to discounts and concessions. This is a \$565,557 or a 3% increase for the 2018/19 revenue. The majority of our residential and rural ratepayers will receive a minimal increase of 2%. Rates for mines and intensive accommodation in the Shire have increased by 7%.

A 10% early payment discount off the general rate is available where rates are paid within the discount period.

Utility Charges

For this budget we have closely analysed the costs associated with operating utility services, such as water, sewerage and waste. As the provision of these services are critical to the effective operation of our community it is important to ensure we provide quality services that meet regulatory standards at an affordable price. As a result each service will increase in 2018/19 by a different percentage.

Water and Sewerage Charges

Water charges will increase by 4.7%. The annual water charges for a typical domestic dwelling will be \$1,055.

Sewerage charges will increase by 9.2%. The annual sewerage charges for a typical domestic dwelling will be \$510.

Garbage and Waste Management Charge

Garbage or waste management charges will increase by 9.2%. This equates to a typical domestic waste charge being \$370.

Summary

Council's budget is aimed at limiting rates and charges increases but continues to provide for essential public infrastructure to ensure ongoing economic and social development within the Shire.

This Council aims to improve asset maintenance and planning processes so that critical infrastructure is maintained efficiently and effectively. We are focussing on ensuring longevity and sustainability of these assets including significant road infrastructure projects, renewal of footpaths, upgrades to the sewerage treatment plant, redevelopment of Florence Clarke Park and Swimming Pool area, improvements to town aesthetics, the acquisition of Corella Dam and many more items whilst continuing to deliver essential community services.

In closing, I want to thank all the Councillors for their participation and focus on the Shire's goals and achieving them through this budget in a responsible and sustainable manner.

I sincerely thank all the staff involved in this budget process and the substantial amount of work required to get it finalised. I look forward to seeing their efforts rewarded in superior service delivery and projects the community, Councillors and staff are proud of.

Thank you

Cr Greg Campbell
Mayor